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DDI-1807-82

D/NESA 82-216
3 March 1982

82-4509/1

MEMORANDUM FOR: Director of Central Intelligence
Deputy Director of Central Intelligence

VIA: Deputy Director for Intelligence

FROM: Helene L. Boatner
Director, Near East/South Asia Analysis

SUBJECT: Briefing on Libyan Activities

Attached, for your information, is the briefing on Libyan activities that has been sent to major European capitals and Tokyo for use in connection with the NSC decisions on Libya. It was drafted at State [redacted]

[redacted]. Contrary to our expectations, it was not sent to the DDI or to NIO/NESA for coordination. We did, however, get a copy from the DDO, so we had the opportunity to protest if we had detected major substantive problems. We did not, although we would have suggested some changes of phraseology and treatment if our coordination had been invited.

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25X1[redacted]
Helene L. Boatner

Attachment:
As stated

cc: NIO/NESA
C/DDO/NE

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ALL PORTIONS
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SUBJECT: Briefing on Libyan Activities

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THE DIRECTOR OF CENTRAL INTELLIGENCE

WASHINGTON, D.C. 20505

82-4509

National Intelligence Council

DDI 1812-82

3 March 1982

MEMORANDUM FOR: Director of Central Intelligence
Deputy Director of Central Intelligence

VIA: Chairman, National Intelligence Council

FROM: Charles E. Waterman
National Intelligence Officer for NESAs

SUBJECT: Draft National Security Decision Directive on Economic
Decisions for Libya

1. Attached is a draft NSDD on economic decisions for Libya, about which we are asked for concurrence and comments by COB 3 March.

2. The draft represents the decisions taken, but poses an alternative choice on one issue which was not clearly defined at the NSC. The choice, posed in alternative paragraphs 4a and 4b, is essentially centered on how strongly we will press for extraterritoriality on the export controls. Paragraph 4a represents State's position and calls for the US showing flexibility with respect to allowing goods produced by foreign subsidiaries of US firms, or with US components, to be licensed. Paragraph 4b is a watered down version of Commerce's position -- hardline on applying controls -- and as such is not substantially stronger than 4a. The NSC agrees that either version will have the same impact, but wishes to give all agencies the opportunity to confirm this. Specifically, Commerce supports extraterritorial applicability on Poland in order to protect US business, and hence is concerned about the Libyan precedent. To repeat, however, the proposed compromise paragraphs do not now differ in practical impact.

3. Please advise what response I should pass the NSC.

Attachment: Draft NSDD

This Memo is classified
SECRET in its entirety.

Charles E. Waterman

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no need to stir up control
& license issues to
417 make our
point!

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DDI 1812-82
3 March 1981

MEMORANDUM FOR: Director of Central Intelligence
Deputy Director of Central Intelligence

SUBJECT: Draft National Security Decision Directive on Economic
Decisions for Libya

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NIC/NIO/NESA:CEWaterman:jcn 3 Mar. 81

Attachment:
Draft NSDD

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ECONOMIC DECISIONS FOR LIBYA

After consultation with the National Security Council and in accordance with applicable law, I have decided on the following steps to reduce the threat posed by Libyan policies and actions.

1. To prohibit the import into the United States of crude oil from Libya.
2. To require validated licenses for all exports of U.S. goods and technology to Libya, except for medicine, medical supplies, and agricultural commodities.
3. The general policy of the U.S. shall be to deny licenses for export to Libya of
 - a. Goods and technology controlled for national security purposes, and
 - b. Oil and gas technology and equipment not readily available from sources outside the US.

For all other newly controlled exports of goods and technology, there is no presumption of denial.

4a. To the extent feasible, the administrative steps taken to implement these decisions shall be designed to minimize the extraterritorial impact of new export controls, bearing in mind the basic purposes of these restrictions. In particular, the U.S. will follow a flexible policy where third country companies are involved. Reexport of goods and technical data already outside of the United States at the time the new controls are imposed will not be precluded under these controls; foreign products derived from U.S. technical data will not be affected by the new controls. The United States will be prepared to show some flexibility with respect

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to the licensing of items generally to be prohibited from export or reexport under the new controls, where the items are required to fulfill preexisting contracts or are components representing a minor percentage of products to be produced abroad.

4b. These actions only apply to exports from the U.S. and reexports of U.S.-origin goods and technologies. Foreign products derived from U.S. technical data will not be affected by the new controls. The new controls will not affect pre-existing binding contracts. Requests to reexport foreign commodities incorporating U.S.-origin components will be decided on a case-by-case basis under regulations to be issued by the Secretary of Commerce. Reexport of goods and technical data already outside of the United States at the time the new controls are imposed will not be precluded under these controls.

5. These decisions shall not preclude the export of items for which validated licenses have previously been issued or for which binding preexisting contracts have been signed.

6. In light of these decisions, the Secretary of Defense, the Director of Central Intelligence, the Chairman of the Joint Chiefs of Staff, shall revalidate contingency planning regarding possible Libyan reactions and Soviet moves.

7. The Secretary of State and the Assistant to the President for National Security Affairs shall continue to co-chair a Task Force on Libya to coordinate, to implement, and to recommend additional options as necessary.

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